

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD IMMEDIATE

S E C R E T STATE 221864

EXDIS

TOSEC 330

FOLLOWING SENT SECSTATE WASHDC INFO EC BRUSSELS OECD PARIS
FROM THE HAGUE 09 NOV 73:

QUOTE S E C R E T THE HAGUE 4917

EXDIS

E.O. 11652: GDS

TAGS: PFOR, ENRG, OECD, NL

SUBJECT: MEETING OF SECRETARY SCHLESINGER WITH DUTCH
MINISTER OF ECONOMIC AFFAIRS

SUMMARY: IN NOV 8 MEETING IN HAGUE WITH SECDEF SCHLESINGER,
DUTCH MINECON LUBBERS EXPRESSED HOPE FOR EVENTUAL AGREEMENT
ON OECD OIL SHARING SCHEME AND DEPLORED DIVISIVE EFFECT ON
EUROPEAN UNITY OF FRENCH AND BRITISH PURSUIT OF THEIR OWN
DISPARATE INTERESTS. SECDEF PLACED EMPHASIS ON ACHIEVING
UNDERSTANDING WITH OPEC, TO WHICH END HE FELT EC MIDEAST
POLICY STATEMENT IS NOT HELPFUL, AND INDICATED HE WOULD
RECOMMEND THAT USG SEEK TO ASSIST NETHERLANDS WITH HER OIL
PROBLEM SO THAT DUTCH WILL NOT BE "SCAPEGOATS" IN MIDEAST
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CONFRONTATION. END SUMMARY

1. SECDEF SCHLESINGER, ACCOMPANIED BY AMBASSADOR GOULD AND
THREE MEMBERS OF SECRETARY'S PARTY, CALLED ON MINECON LUBBERS

AT LATTER'S REQUEST NOV 7. CONVERSATION FOCUSSED ON OIL PROBLEMS AND US-EC RELATIONS.

2. LUBBERS PREFACED HIS REMARKS ON OIL BY NOTING THAT DESIRABLE DEGREE OF COORDINATION AMONG OIL COMPANIES AND BETWEEN COMPANIES AND GOVERNMENTS HAS BEEN INHIBITED BY FEAR OF US ANTI-TRUST PROSECUTION.

AMBASSADOR GOULD EXPRESSED HIS UNDERSTANDING THAT WAIVER IS BEING PROCESSED AND SECRETARY AGREED TO CHECK STATUS.

3. LUBBERS EXPRESSED INTEREST IN PRESENT STATUS OF US CONSIDERATION OECD OIL SHARING AND CONSERVATION PROPOSALS. HE HAD IMPRESSION THAT JAPAN MIGHT BE MOVING CLOSER TO US POSITION AND HOPED SOME MIDDLE GROUND MIGHT BE FOUND. HE RECOGNIZED, HOWEVER, THAT OECD AGREEMENT IS SEVERAL WEEKS AWAY. SECDEF RESPONDED THAT WHILE COOPERATION AMONG CONSUMING COUNTRIES WOULD BE DESIRABLE, BASIC PROBLEM IS TO ACHIEVE COOPERATION BETWEEN CONSUMERS AND PRODUCERS. FOR USG POLITICAL CONSIDERATIONS OUTWEIGH ECONOMIC IN THIS SITUATION. EC MIDEAST POLICY DECLARATION WAS NOT HELPFUL IN THIS CONTEXT AND WILL ONLY SERVE TO WHET ARAB APPETITE FOR DIVIDE AND CONQUER STRATEGY. CONSUMING COUNTRIES MUST FIND WAYS OF APPLYING PRESSURE ON ARABS BY MAKING THEM AWARE THAT RADICALIZATION OF THEIR POLICIES MAY BRING "FORCE MAJEURE" RESPONSE.

4. LUBBERS SAID OIL BUSINESS HAS THREE FACETS FOR DUTCH:
(1) TRANSSHIPMENT OF CRUDE THROUGH ROTTERDAM TO NEARBY COUNTRIES, (2) EXPORTATION TO SUCH COUNTRIES OF PRODUCT REFINED HERE AND (3) SUPPLY OF REFINED PRODUCT TO DUTCH INDUSTRIES AND HOUSEHOLDS AND FOR BUNKERS. 70 PERCENT OF DUTCH CRUDE IMPORTS GO TO (1) AND (2), I.E. REEXPORT. DUTCH WOULD HOPE TO CONTINUE IN ALL THREE FACETS. FORTUNATELY 80 PERCENT OF DOMESTIC HEATING NEEDS ARE MET BY DUTCH NATURAL GAS.

5. DESPITE HIS OPTIMISTIC OUTLOOK FOR EUROPEAN UNITY OVER
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LONGER HAUL, LUBBERS SAID FRENCH AND BRITISH ARE PRESENTLY WORKING TOGETHER, FOR DIFFERENT REASONS, TO DETRIMENT OF THAT UNITY. FRENCH ARE USING EC AS AVENUE TO ACHIEVE POLITICAL LEADERSHIP IN EUROPE WHILE BRITISH ARE INTERESTED ONLY IN ECONOMIC BENEFIT. THIS SELF-CENTERED ANGLO-FRENCH GAULLIST AXIS HAS BRED CYNICISM AMONG OTHER MEMBERS, HAS BROUGHT DUTCH AND GERMANS CLOSER TOGETHER (THOUGH BRANDT SEEMS CONTENT TO HOLD LOW PROFILE IN EC AT THIS JUNCTURE), AND FOR THE MOMENT AT LEAST HAS STRENGTHENED INTEREST OF MANY EUROPEANS IN CLOSER ATLANTIC TIES. FRENCH PULL ON FRANCOPHONE BELGIUM HAS WEAKENED BENELUX UNITY, BUT THIS IS OF MINOR IMPORTANCE IN BIG PICTURE.

6. SECRETARY CONCLUDED BY SAYING THAT HE AND SECRETARY

KISSINGER ARE PREPARED TO RECOMMEND, SUBJECT TO CONCURRENCE OF OTHER US AGENCIES INCLUDING INTERIOR DEPARTMENT, THAT USG BE HELPFUL TO HOLLAND IN MEETING ITS OIL PROBLEMS. THE PRESIDENT WILL MAKE THE FINAL DECISION. HE CONSIDERED IT IMPORTANT THAT HOLLAND NOT BE MADE "SCAPEGOAT" IN LARGER MIDEAST CONFLICT, WHICH HE HOPED WOULD SOON BE RESOLVED BY DIPLOMATIC MEANS.

7. THE SECRETARY APPROVED TRANSMISSION OF THIS MESSAGE TO WASHINGTON ALTHOUGH HE DID NOT REVIEW TEXT PRIOR TO HIS DEPARTURE FROM THE HAGUE.

8. DEPARTMENT REPEAT AS DESIRED. GOULD UNQUOTE RUSH

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